



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN CBS/INFINITY BROADCASTING'S ACQUISITION OF OUTDOOR SYSTEMS

Companies Must Sell Advertising Displays in New York City, New Orleans, and Phoenix

Washington, D.C.-The Department of Justice today announced that it will require Infinity Broadcasting and Outdoor Systems Inc. to divest certain advertising displays in New York City, New Orleans, and Phoenix, in order to go forward with their \$8.3 billion merger. The Department's Antitrust Division said the deal, as originally proposed, would have been anticompetitive, giving the company a dominant share of out-of-home advertising--billboards, subway displays, and signs that appear on the sides of buses and bus shelters--in these three geographic markets.

The Department's antitrust lawsuit and proposed consent decree were filed today in U.S. District Court in Washington, D.C. The consent decree, if approved by the Court, would resolve the Department's competitive concerns, as well as the lawsuit. CBS Corporation is also named in the court papers, since that company owns 82 percent of Infinity.

According to the complaint, the proposed acquisition would have substantially lessened competition in out-of-home advertising in New York City, New Orleans, and Phoenix because Infinity Broadcasting and Outdoor Systems compete head-to-head and, for many advertisers, are each other's closest competitor.

“Without these divestitures, purchasers of out-of-home advertising displays in New York City, New Orleans, and Phoenix would have lost a significant competitive alternative,” said Joel I. Klein, Assistant Attorney General in charge of the Department’s Antitrust Division, “This resolution ensures that advertisers in these three markets will continue to have the benefits of competition.”

Under the consent decree, Infinity Broadcasting and Outdoor Systems must sell a package of advertising displays in New York City generating revenues equal to at least \$25.3 million, which constitutes Outdoor Systems’ billboard advertising business. In addition, the companies are required to divest either Outdoor Systems’ bus shelter advertising or its subway advertising operations, if they are still selling both types of advertising in February 2000.

In New Orleans, the merging parties must divest Infinity Broadcasting’s entire bus advertising operations. In Phoenix, the merging parties are required to divest either Infinity Broadcasting’s bus advertising operations or a package of out-of-home advertising displays generating the same amount of revenues. The divestitures will be at least equal to Infinity Broadcasting’s out-of-home advertising sales in both New Orleans and Phoenix.

CBS, a Pennsylvania corporation, is headquartered in New York City. CBS had 1998 revenues of \$6.8 billion. CBS owns 82 percent of Infinity Broadcasting, a Delaware corporation headquartered in New York City. Infinity Broadcasting owns more than 160 radio stations in 34 markets across the country, in addition to its out-of-home advertising assets held by its subsidiary, TDI Worldwide Inc. TDI’s out-of-home advertising business includes operations in 20 U.S. markets, the U.K., Ireland, and the Netherlands. Infinity Broadcasting posted 1998 revenues of \$1.8 billion.

Outdoor Systems, a Delaware corporation based in Phoenix, has out-of-home advertising holdings in 90 markets across the country in addition to approximately 12,000 billboard displays in Mexico. Outdoor Systems generated \$705 million in sales in 1998.

As required by the Tunney Act, the proposed consent decree resolving this lawsuit, along with the Department's Competitive Impact Statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed decree during a 60-day comment period to Willie Hudgins, Assistant Chief, Litigation Section, Antitrust Division, U.S. Department of Justice, Suite 3000, 1401 H Street, N.W., Washington, D.C. 20530. At the conclusion of the comment period, the Court may enter the consent decree upon a finding that it serves the public interest.

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